

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Actual 2018  
Planting dates: September 1 - September 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	\$2.95	30 LBS		\$88.50				\$88.50
INSECTICIDE (CUSTOM)	\$8.77	1 ACRE		\$8.77				\$8.77
PUMP WATER*		16 AC. IN.						
SUBTOTAL				\$97.27				\$97.27
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.28	\$1.89	\$5.56	\$13.17
PLOW	145 HP	0.48 HR		\$4.10	\$12.08	\$4.94	\$13.60	\$34.71
DISC (2X)	145 HP	0.34 HR		\$2.91	\$8.55	\$3.77	\$11.12	\$26.35
DRILL	96 HP	0.21 HR		\$1.80	\$3.61	\$0.41	\$4.95	\$10.76
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.52	\$0.40	\$4.05	\$7.83
IRRIGATE (2X)		0.50 HR		\$3.75	\$66.65	\$0.66	\$5.97	\$77.03
SUBTOTAL		1.80 HR		\$14.87	\$97.68	\$12.05	\$45.24	\$169.84
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.33 HR		\$2.78				\$2.78
EMPLOYEE BENEFITS				\$2.68				\$2.68
INSURANCE			\$0.30					\$0.30
SUPERVISION AND MANAGEMENT				\$19.80				\$19.80
SUBTOTAL		0.33 HR	\$0.30	\$25.25				\$25.55
<b>TOTAL OPERATING EXPENSES</b>		2.13 HR	\$97.57	\$40.12	\$97.68	\$12.05	\$45.24	\$292.66

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Actual 2018  
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$240.00	5.80	TONS (DELIVERED)					\$1,392.00
<b>TOTAL</b>								<b>\$1,392.00</b>
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
FERTILIZER (10-26-10)	\$0.43	200 LBS	\$86.00					\$86.00
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04					\$39.04
HERBICIDE (CUSTOM)	\$26.09	1 X/ACRE	\$26.09					\$26.09
PLASTIC TWINE	\$0.72	170 FT/TON	\$0.18					\$0.18
ESTABLISHMENT: Principal		5 YEARS					\$58.53	\$58.53
: Interest							\$8.85	\$8.85
PUMP WATER*		54 AC. IN.						
<b>SUBTOTAL</b>			<b>\$151.30</b>				<b>\$67.39</b>	<b>\$218.69</b>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$11.25	\$224.94	\$2.21	\$20.16	\$258.56
<b>SUBTOTAL</b>		<b>1.50 HR</b>		<b>\$11.25</b>	<b>\$224.94</b>	<b>\$2.21</b>	<b>\$20.16</b>	<b>\$258.56</b>
HARVEST OPERATIONS								
SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$6.28	\$0.76	\$19.93	\$31.67
RAKE (5X)	96 HP	0.25 HR		\$2.14	\$4.29	\$0.46	\$2.67	\$9.56
BALER (5X)	145 HP	0.35 HR		\$2.99	\$8.81	\$1.92	\$35.54	\$49.26
FRONT END LOADER (5X)	130 HP	0.25 HR		\$2.14	\$6.29	\$1.78	\$9.04	\$19.24
HAUL	SEMI	0.50 HR		\$4.28	\$8.01	\$1.30	\$15.64	\$29.22
<b>SUBTOTAL</b>		<b>1.90 HR</b>		<b>\$16.25</b>	<b>\$33.68</b>	<b>\$6.22</b>	<b>\$82.82</b>	<b>\$138.96</b>
OVERHEAD EXPENSES								
DOWNTIME		0.48 HR		\$4.06				\$4.06
EMPLOYEE BENEFITS				\$4.95				\$4.95
INSURANCE			\$0.55					\$0.55
LAND TAXES							\$1.56	\$1.56
SUPERVISION AND MANAGEMENT				\$99.89				\$99.89
OTHER EXPENSES			\$88.05					\$88.05
<b>SUBTOTAL</b>		<b>0.48 HR</b>	<b>\$88.60</b>	<b>\$108.90</b>			<b>\$1.56</b>	<b>\$199.06</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>3.88 HR</b>	<b>\$239.91</b>	<b>\$136.40</b>	<b>\$258.62</b>	<b>\$8.43</b>	<b>\$171.93</b>	<b>\$815.27</b>
<b>NET OPERATING PROFIT</b>								<b>\$576.73</b>
INTEREST ON OPERATING CAPITAL		( \$135.76 @	5.75%	)				\$7.81
INTEREST ON EQUIPMENT INVESTMENT								\$42.94
<b>RETURN TO LAND AND RISK</b>								<b>\$525.98</b>
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN		\$1,392.00						
VARIABLE OPERATING EXPENSES	\$506.95							
RETURN OVER VARIABLE EXPENSES	\$885.05	(GROSS MARGIN)						
FIXED EXPENSES	\$171.93							
NET FARM INCOME	\$713.12	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$136.40							
NET OPERATING PROFIT	\$576.73	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$50.75							
<b>RETURN TO LAND AND RISK</b>		<b>\$525.98</b>						

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Actual 2018  
 Planting dates: August 15 - November 1  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
WHEAT	\$7.92	55.00 CWT						\$435.42	
DIRECT PAYMENT	\$0.00	55.00 CWT	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$44.00	1.00 ACRE						\$44.00	
<b>TOTAL</b>								<b>\$479.42</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$2.58	100.00 LBS	\$258.00					\$258.00	
NITROGEN (N)	\$0.42	150.00 LBS	\$63.00					\$63.00	
PHOSPHATE (P205)	\$0.49	50.00 LBS	\$24.50					\$24.50	
INSECTICIDE (CUSTOM)	\$18.62	1.00 ACRE	\$18.62					\$18.62	
PUMP WATER*		28.00 AC. IN.							
CROP INSURANCE	\$1.96		\$1.96					\$1.96	
<b>SUBTOTAL</b>			<b>\$366.08</b>					<b>\$366.08</b>	
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.48 HR		\$4.10	\$12.08	\$4.94	\$13.60	\$34.71	
DISC (2X)	145 HP	0.28 HR		\$2.39	\$7.04	\$3.10	\$9.15	\$21.70	
FERTILIZE	DEALER APPLIED								
DRILL	96 HP	0.21 HR		\$1.80	\$3.61	\$0.41	\$4.95	\$10.76	
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.52	\$0.40	\$4.05	\$7.83	
IRRIGATE (4X)		1.00 HR		\$7.50	\$116.64	\$1.15	\$10.46	\$135.74	
<b>SUBTOTAL</b>		<b>2.07 HR</b>		<b>\$16.65</b>	<b>\$141.88</b>	<b>\$9.99</b>	<b>\$42.21</b>	<b>\$210.73</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)			\$17.03					\$17.03	
HAUL (CUSTOM)			\$11.00					\$11.00	
<b>COMBINE &amp; HAUL (CUSTOM)</b>			<b>\$28.03</b>					<b>\$28.03</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.27 HR		\$2.29				\$2.29	
EMPLOYEE BENEFITS				\$3.00				\$3.00	
INSURANCE			\$0.33					\$0.33	
LAND TAXES							\$1.56	\$1.56	
SUPERVISION AND MANAGEMENT				\$35.04				\$35.04	
OTHER EXPENSES			\$88.05					\$88.05	
<b>SUBTOTAL</b>		<b>0.27 HR</b>	<b>\$88.38</b>	<b>\$40.33</b>			<b>\$1.56</b>	<b>\$130.27</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>2.34 HR</b>	<b>\$482.50</b>	<b>\$56.98</b>	<b>\$141.88</b>	<b>\$9.99</b>	<b>\$43.76</b>	<b>\$735.11</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$255.69)</b>	
INTEREST ON OPERATING CAPITAL		( \$223.35 @	5.75%	)				\$12.84	
INTEREST ON EQUIPMENT INVESTMENT								\$19.12	
<b>RETURN TO LAND AND RISK</b>								<b>(\$287.65)</b>	

\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$479.42	
VARIABLE OPERATING EXPENSES	\$634.37		
RETURN OVER VARIABLE EXPENSES		(\$154.96)	(GROSS MARGIN)
FIXED EXPENSES	\$43.76		
NET FARM INCOME		(\$198.72)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$56.98		
NET OPERATING PROFIT		(\$255.69)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.96		
<b>RETURN TO LAND AND RISK</b>		<b>(\$287.65)</b>	

TABLE 9. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Actual 2018  
 Planting dates: February 15 - April 1  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$160.00	4.7 TONS (DELIVERED)						\$752.00
<b>TOTAL</b>								<b>\$752.00</b>
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST			TOTAL
SEED	\$0.96	80 LBS	\$76.80					\$76.80
NITROGEN (N)	\$0.42	85 LBS	\$35.70					\$35.70
PUMP WATER*		21 AC. IN.						
<b>SUBTOTAL</b>			<b>\$112.50</b>					<b>\$112.50</b>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	145 HP	0.34 HR		\$2.91	\$8.55	\$3.77	\$11.12	\$26.35
DRILL	96 HP	0.21 HR		\$1.80	\$3.61	\$0.41	\$4.95	\$10.76
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.52	\$0.40	\$4.05	\$7.83
IRRIGATE (4X)		1.00 HR		\$7.50	\$87.48	\$0.86	\$7.84	\$103.68
<b>SUBTOTAL</b>		<b>1.65 HR</b>		<b>\$13.06</b>	<b>\$102.15</b>	<b>\$5.44</b>	<b>\$27.96</b>	<b>\$148.60</b>
HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.37	\$1.83	\$0.22	\$5.80	\$9.21
RAKE	96 HP	0.05 HR		\$0.43	\$0.86	\$0.09	\$0.53	\$1.91
BALER	145 HP	0.05 HR		\$0.43	\$1.26	\$0.27	\$5.08	\$7.04
FRONT END LOADER	130 HP	0.05 HR		\$0.43	\$1.26	\$0.36	\$1.81	\$3.85
HAUL	SEMI	0.50 HR		\$4.28	\$8.01	\$1.30	\$15.64	\$29.22
<b>SUBTOTAL</b>		<b>0.81 HR</b>		<b>\$6.93</b>	<b>\$13.21</b>	<b>\$2.24</b>	<b>\$28.86</b>	<b>\$51.24</b>
OVERHEAD EXPENSES								
DOWNTIME		0.37 HR		\$3.12				\$3.12
EMPLOYEE BENEFITS				\$3.60				\$3.60
INSURANCE				\$0.40				\$0.40
LAND TAXES							\$1.56	\$1.56
SUPERVISION AND MANAGEMENT				\$54.32				\$54.32
OTHER EXPENSES				\$88.05				\$88.05
<b>SUBTOTAL</b>		<b>0.37 HR</b>		<b>\$88.45</b>	<b>\$61.04</b>		<b>\$1.56</b>	<b>\$151.04</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>2.83 HR</b>		<b>\$200.95</b>	<b>\$81.02</b>	<b>\$115.36</b>	<b>\$7.68</b>	<b>\$463.38</b>
<b>NET OPERATING PROFIT</b>								<b>\$288.62</b>
INTEREST ON OPERATING CAPITAL		( \$84.44 @	5.75%	)				\$4.86
INTEREST ON EQUIPMENT INVESTMENT								\$22.55
<b>RETURN TO LAND AND RISK</b>								<b>\$261.21</b>

\* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$752.00	
VARIABLE OPERATING EXPENSES	\$323.99		
RETURN OVER VARIABLE EXPENSES		\$428.01	(GROSS MARGIN)
FIXED EXPENSES	\$58.37		
NET FARM INCOME		\$369.64	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$81.02		
NET OPERATING PROFIT		\$288.62	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.41		
<b>RETURN TO LAND AND RISK</b>		<b>\$261.21</b>	

TABLE 10. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Actual 2018  
 Planting dates: April 15 - June 1  
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.72	750 LBS		\$537.75
COTTON SEED	\$0.08	1,200 LBS		\$100.80
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
<b>TOTAL</b>				<b>\$726.08</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.45	20 LBS	\$169.00		\$169.00
NITROGEN (N)	\$0.42	32 LBS	\$13.44		\$13.44
PHOSPHATE (P205)	\$0.49	40 LBS	\$19.60		\$19.60
HERBICIDE	\$15.41	1 ACRE	\$15.41		\$15.41
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68		\$15.68
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04		\$39.04
CROP INSURANCE			\$1.47		\$1.47
PUMP WATER*		28 AC. IN.			
<b>SUBTOTAL</b>			<b>\$273.64</b>		<b>\$273.64</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.28	\$1.89	\$5.56	\$13.17
PLOW	145 HP	0.48 HR		\$4.10	\$12.08	\$4.94	\$13.60	\$34.71
FLOAT	130 HP	0.16 HR		\$1.37	\$4.03	\$0.64	\$5.76	\$11.79
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$4.53	\$1.07	\$8.76	\$15.89
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.61	\$33.93
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$4.46	\$1.05	\$4.77	\$12.51
PLANTER	130 HP	0.26 HR		\$2.22	\$6.54	\$1.45	\$18.25	\$28.47
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$10.82	\$2.13	\$4.62	\$22.95
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.52	\$0.40	\$4.05	\$7.83
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.84	\$101.80
<b>SUBTOTAL</b>		<b>3.24 HR</b>	<b>\$20.00</b>	<b>\$26.65</b>	<b>\$165.88</b>	<b>\$14.71</b>	<b>\$75.81</b>	<b>\$303.05</b>

<b>HARVEST OPERATIONS</b>								
COTTON PICKER (2X)	2-ROW	1.24 HR		\$10.60	\$22.87	\$7.49	\$157.33	\$198.29
HAUL (2X)	65 HP	1.00 HR		\$8.55	\$17.17	\$0.95	\$8.76	\$35.43
GIN COTTON (CUSTOM)			\$123.60					\$123.60
<b>SUBTOTAL</b>		<b>2.24 HR</b>	<b>\$123.60</b>	<b>\$19.15</b>	<b>\$40.05</b>	<b>\$8.43</b>	<b>\$166.10</b>	<b>\$357.33</b>

<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	96 HP	0.14 HR		\$1.20	\$3.52	\$0.61	\$9.43	\$14.76
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.20</b>	<b>\$3.52</b>	<b>\$0.61</b>	<b>\$9.43</b>	<b>\$14.76</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		1.16 HR		\$9.88				\$9.88
EMPLOYEE BENEFITS				\$8.46				\$8.46
INSURANCE			\$0.94					\$0.94
LAND TAXES						\$1.56		\$1.56
SUPERVISION AND MANAGEMENT				\$54.09				\$54.09
OTHER EXPENSES			\$88.05					\$88.05
<b>SUBTOTAL</b>		<b>1.16 HR</b>	<b>\$88.99</b>	<b>\$72.42</b>			<b>\$1.56</b>	<b>\$162.97</b>

TOTAL OPERATING EXPENSES 6.78 HR \$506.23 \$119.42 \$209.45 \$23.75 \$252.89 \$1,111.75

NET OPERATING PROFIT (\$385.67)

INTEREST ON OPERATING CAPITAL ( \$187.04 @ 5.75% ) \$10.75  
 INTEREST ON EQUIPMENT INVESTMENT \$22.55

RETURN TO LAND AND RISK (\$418.97)

\* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$726.08	
VARIABLE OPERATING EXPENSES	\$739.44		
RETURN OVER VARIABLE EXPENSES		(\$13.36)	(GROSS MARGIN)
FIXED EXPENSES	\$252.89		
NET FARM INCOME		(\$266.25)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$119.42		
NET OPERATING PROFIT		(\$385.67)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.31		
RETURN TO LAND AND RISK		(\$418.97)	

TABLE 11. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area,  
 Actual 2018  
 Planting dates: April 15 - June 1  
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE						TOTAL	
<b>GROSS RETURNS</b>										
COTTON LINT	\$0.67	750 LBS							\$502.50	
COTTON SEED	\$0.08	1,200 LBS							\$100.80	
DIRECT PAYMENT	\$0.0000	750 LBS	0.85						\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85						\$87.53	
<b>TOTAL</b>									<b>\$690.83</b>	
<b>PURCHASED INPUTS</b>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$8.45	25 LBS	\$211.25						\$211.25	
NITROGEN (N)	\$0.42	32 LBS	\$13.44						\$13.44	
PHOSPHORUS (P205)	\$0.49	40 LBS	\$19.60						\$19.60	
HERBICIDE	\$15.41	1 ACRE	\$15.41						\$15.41	
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68						\$15.68	
INSECTICIDE (CUSTOM)	\$14.86	2 X/ACRE	\$29.72						\$29.72	
CROP INSURANCE			\$1.47						\$1.47	
PUMP WATER*		28 AC. IN.								
<b>SUBTOTAL</b>			<b>\$306.57</b>							<b>\$306.57</b>
<b>PREHARVEST OPERATIONS</b>										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
DISC	145 HP	0.17 HR		\$1.45	\$4.28	\$1.89	\$5.56	\$13.17		
PLOW	145 HP	0.48 HR		\$4.10	\$12.08	\$4.94	\$13.60	\$34.71		
FLOAT	130 HP	0.16 HR		\$1.37	\$4.03	\$0.64	\$5.76	\$11.79		
FERTILIZE	DEALER APPLIED									
LISTER	130 HP	0.18 HR		\$1.54	\$4.53	\$1.07	\$8.76	\$15.89		
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.61	\$33.93		
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$4.46	\$1.05	\$4.77	\$12.51		
PLANTER	130 HP	0.26 HR		\$2.22	\$6.54	\$1.45	\$18.25	\$28.47		
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$10.82	\$2.13	\$4.62	\$22.95		
HAND HOE (CUSTOM)			\$20.00					\$20.00		
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.52	\$0.40	\$4.05	\$7.83		
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.84	\$101.80		
<b>SUBTOTAL</b>		<b>3.24 HR</b>	<b>\$20.00</b>	<b>\$26.65</b>	<b>\$165.88</b>	<b>\$14.71</b>	<b>\$75.81</b>	<b>\$303.05</b>		
<b>HARVEST OPERATIONS</b>										
COTTON STRIPPER	130 HP	1.24 HR		\$10.60	\$31.20	\$6.05	\$61.31	\$109.16		
HAUL	96 HP	1.50 HR		\$12.83	\$25.76	\$1.42	\$13.15	\$53.15		
GIN COTTON (CUSTOM)			\$159.08					\$159.08		
<b>SUBTOTAL</b>		<b>2.74 HR</b>	<b>\$159.08</b>	<b>\$23.43</b>	<b>\$56.96</b>	<b>\$7.47</b>	<b>\$74.46</b>	<b>\$321.38</b>		
<b>POSTHARVEST OPERATIONS</b>										
SHREDDER	96 HP	0.14 HR		\$1.20	\$3.52	\$0.61	\$9.43	\$14.76		
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.20</b>	<b>\$3.52</b>	<b>\$0.61</b>	<b>\$9.43</b>	<b>\$14.76</b>		
<b>OVERHEAD EXPENSES</b>										
DOWNTIME		1.28 HR		\$10.94				\$10.94		
EMPLOYEE BENEFITS				\$9.23				\$9.23		
INSURANCE			\$1.03					\$1.03		
LAND TAXES							\$1.56	\$1.56		
SUPERVISION AND MANAGEMENT				\$51.87				\$51.87		
OTHER EXPENSES			\$88.05					\$88.05		
<b>SUBTOTAL</b>		<b>1.28 HR</b>	<b>\$89.08</b>	<b>\$72.04</b>				<b>\$1.56</b>	<b>\$162.67</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>7.40 HR</b>	<b>\$574.73</b>	<b>\$123.32</b>	<b>\$226.36</b>	<b>\$22.79</b>	<b>\$161.25</b>	<b>\$1,108.44</b>		
<b>NET OPERATING PROFIT</b>									<b>(\$417.61)</b>	
INTEREST ON OPERATING CAPITAL		(	\$204.84	@	5.75%	)			\$11.78	
INTEREST ON EQUIPMENT INVESTMENT									\$65.12	
<b>RETURN TO LAND AND RISK</b>									<b>(\$494.50)</b>	

\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$690.83	
VARIABLE OPERATING EXPENSES	\$823.88		
RETURN OVER VARIABLE EXPENSES		(\$133.05)	(GROSS MARGIN)
FIXED EXPENSES	\$161.25		
NET FARM INCOME		(\$294.29)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$123.32		
NET OPERATING PROFIT		(\$417.61)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$76.89		
RETURN TO LAND AND RISK		(\$494.50)	

TABLE 12. Summary of per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Chaves County,  
Actual 2018

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	OAT HAY	PICKER COTTON	STRIPPER COTTON
		TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD		5.80	55.00	4.70	750.00	750.00
PRIMARY PRICE		\$240.00	\$7.92	\$160.00	\$0.72	\$0.67
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$87.53	\$87.53
SECOND INCOME		\$0.00	\$44.00	\$0.00	\$100.80	\$100.80
GROSS RETURN		\$1,392.00	\$479.42	\$752.00	\$726.08	\$690.83
CASH OPERATING EXPENSES						
SEED	\$88.50		\$258.00	\$76.80	\$169.00	\$211.25
FERTILIZER	\$8.77	\$86.00	\$87.50	\$35.70	\$33.04	\$33.04
CHEMICALS		\$65.13	\$18.62		\$70.13	\$60.81
CROP INSURANCE			\$1.96		\$1.47	\$1.47
OTHER PURCHASED INPUTS		\$0.18				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$31.03	\$33.68	\$25.24	\$27.88	\$92.82	\$109.73
FUEL-IRRIGATION	\$66.65	\$224.94	\$116.64	\$87.48	\$116.64	\$116.64
REPAIRS	\$12.05	\$8.43	\$9.99	\$7.68	\$23.75	\$22.79
CUSTOM CHARGES			\$28.03		\$143.60	\$179.08
LAND TAXES		\$1.56	\$1.56	\$1.56	\$1.56	\$1.56
OTHER EXPENSES	\$0.30	\$88.60	\$88.38	\$88.45	\$88.99	\$89.08
TOTAL CASH EXPENSES	\$207.30	\$508.50	\$635.93	\$325.55	\$740.99	\$825.43
RETURN OVER CASH EXPENSES	(\$207.30)	\$883.50	(\$156.51)	\$426.45	(\$14.91)	(\$134.60)
FIXED EXPENSES	\$45.24	\$170.37	\$42.21	\$56.82	\$251.33	\$159.69
TOTAL EXPENSES	\$252.54	\$678.88	\$678.13	\$382.36	\$992.32	\$985.12
NET FARM INCOME	(\$252.54)	\$713.12	(\$198.72)	\$369.64	(\$266.25)	(\$294.29)
LABOR AND MANAGEMENT COSTS	\$40.12	\$136.40	\$56.98	\$81.02	\$119.42	\$123.32
NET OPERATING PROFIT	(\$292.66)	\$576.73	(\$255.69)	\$288.62	(\$385.67)	(\$417.61)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$7.81	\$12.84	\$4.86	\$10.75	\$11.78
INTEREST ON EQUIPMENT INVESTMENT		\$42.94	\$19.12	\$22.55	\$22.55	\$65.12
TOTAL CAPITAL COSTS	\$0.00	\$50.75	\$31.96	\$27.41	\$33.31	\$76.89
RETURN TO LAND AND RISK	(\$292.66)	\$525.98	(\$287.65)	\$261.21	(\$418.97)	(\$494.50)
Flex Computation			-226.33	340.58	-145.09	-269.70

TABLE 13. Whole farm summary, Roswell-Hagerman Area, Chaves County,  
Actual 2018

GROSS RETURNS		
ALFALFA HAY	175.00 ACRES	
CROP		\$243,600
WHEAT	25.50 ACRES	
CROP		\$11,103
GRAZING		\$1,122
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	41.50 ACRES	
CROP		\$31,208
UPLAND COTTON (PICKER)	34.00 ACRES	
COTTON LINT		\$18,284
COTTON SEED		\$3,427
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
UPLAND COTTON (STRIPPER)	34.00 ACRES	
COTTON LINT		\$17,085
COTTON SEED		\$3,427
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
GROSS RETURN		<u>\$335,208</u>
CASH OPERATING EXPENSES		
SEED		\$25,792
FERTILIZER		\$21,316
CHEMICALS		\$16,324
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$31
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,667
FUEL-IRRIGATION		\$56,233
REPAIRS		\$4,053
CUSTOM CHARGES		\$11,686
LAND TAXES		\$482
OTHER EXPENSES		\$27,495
TOTAL CASH EXPENSES		<u>\$179,228</u>
RETURN OVER CASH EXPENSES		\$155,980
FIXED EXPENSES		\$38,564
TOTAL EXPENSES		<u>\$217,793</u>
NET FARM INCOME		\$117,415
LABOR AND MANAGEMENT COSTS		\$38,342
NET OPERATING PROFIT		\$79,073
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,661
INTEREST ON EQUIPMENT INVESTMENT		\$11,918
TOTAL CAPITAL COSTS		<u>\$14,580</u>
RETURN TO LAND AND RISK		<u><u>\$64,494</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$54,894	13.50%
\$3,000 /ACRE	\$35,694	6.45%
\$5,000 /ACRE	\$16,494	4.24%
\$7,000 /ACRE	(\$2,706)	3.16%
\$9,000 /ACRE	(\$21,906)	2.51%

\* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

\*\* NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)